Message Text

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FM USMISSION USBERLIN

TO SECSTATE WASHDC 4757

AMEMBASSY BONN

INFO AMEMBASSY ANKARA

AMEMBASSY BERLIN UNN

AEMBASSY LONDON 9106

AMEMBASSY PARIS

AMCONSUL ISTANBUL

USMISSION NATO

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E.O.11652: GDS

TAGS: EAIR, WB, GE, PGOV

SUBJECT: INTERFLUG ACTIVITIES IN WEST BERLIN AND

TURKISH WORKER FLIGHTS

REF: (A) 74 USBER 128, (B) BONN 9904, (C) 76 USBER 375, (D) 76 USBER

234,

(E) 76 USBE 156, (F) USBER 1143

1. SUMMARY. ADDRESSEES WILL RECALL LONG HISTORY OF ALLIED AND SENAT CONCERN ABOUT GDR/TURKISH EFFORTS TO SIPHON TURKISH WORKER TRAFFIC BETWEEN WEST BERLIN AND TURKEY AWAY FROM WEST BERLIN'S TEGEL AIRPORT TO SCHOENEFELD AIRPORT IN GDR. ON 12 DEC. 1974 SENAT REQUESTED ALLIES TO PERMIT THEM TO USE BK/O(62)5 TO COMBAT PROBLEM OF THY FLIGHTS, A RECOMMENDATION NOT RPT NOT ACCEPTED BY BONN GROUP. PROBLEM THEN STABILIZED ITSELF AT WHAT WAS REGARDED AS ACCEPTABLE CONFIDENTIAL

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LEVEL OF BETWEEN 60-70 PERCENT OF FLIGHTS TAKING PLACE FROM TEGEL AND30-40 PERCENT FROM SCHOENEFELD. IN RECENT WEEKS, VIGOROUS SALES ACTIVITY BY INTERFLUG THROUGH WEST BERLIN INTERMEDIARIES AND INTERFLUG ESTABLISHMENT OF WHAT IS IN REALITY SCHEDULED SERVICE TO TURKEY HAS AGAIN BROUGHT PROBLEM TO HEAD. MISSION RECOMMENDS THAT ALLIES BE PREPARED TO TAKE STRONG

ACTION AFTER EXAMINATION OF ALL CONSIDERATIONS INVOLVED. END SUMMARY.

- 2. EFFORTS OF GDR AIRLINE INTERFLUG TI EXPAND ITS HARD CURRENCY OPERATIONS AT GDR'S SCHOENEFELD AIRPORT JUST SOUTH OF WEST BERLIN HAVE BEEN MATTER OF SERIOUS CONCERN TO WEST BERLIN SENAT AND ALLIES FOR SOME YEARS. REF B CONCERNING A US FREIGHT FLIGHT TO SCHOENEFELD PORTRAYS ONE ASPECT OF PROBLEM. IN LARGER TERMS, HOWEVER, INTERFLUG'S WILLINGNESS TO PROVIDE CUT-RATE TRANSPORTATION FROM SCHOENEFELD TO JUST ABOUT ANYWHERE THREATENS CONSTANTLY TO UNDERMINE VIABILITY OF CHARTER AND SCHEDULED SERVICES FROM WEST BERLIN'S TEGEL AIRPORT, A CRITICAL ELEMENT IN WEST BERLIN VIABILITY.
- 3. THE TRAFFIC OF WEST BERLIN'S TURKISH COMMUNITY OF ABOUT 120,000 PERSONS TO AND FROM TURKEY HAS LONG BEEN A TARGET OF INTERFLUG ACTIVITY. PROBLEM HAS BEEN COMPOUNDED BY GDR'S REFUSAL TO GRANT NORTH/SOUTH OVERLFIGHT RIGHTS TO TEGEL TO TURKISH AIRLINE THY. FACED WITH THIS OBSTACLE, THY, WHICH WE UNDERSTAND HAS EXCESS CAPACITY, CONCLUDED AGREEMENT WITH INTERFLUG AND NOW FLIES THREE TIMES WEEKLY FROM TURKEY TO SCHOENEFELD (TWICE TO ISTANBUL, ONCE TO ANKARA). IN 1974, SENAT TOLD ALLIED MISSIONS HERE THAT THEY SAW NO WAY OF HANDLING SITUATION EXCEPT BY INVOKING BK/O(62)5, ALLIED LEGISLATION DESIGNED IN IMMEDIATE POST-WAR ERA TO PREVENT COMMERCIAL AND OTHER COMMUNIST ACTIVITES CONFIDENTIAL

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IN WSB FROM HARMING CITY. THAT REQUEST, WHICH IS STILL OUTSTANDING AND EAS RENEWED ON FEB. 12, 1976, DID NOT MEET APPROVAL IN BONN GROUP. THERE IT WAS ARGUED, WITH FRENCH REP TAKING LEAD, THAT A) BK/O(62)5 WAS DIRECTED AGAINST COMMUNIST ACTIVITES AND TURKEY IS A NON-COMMUNIST POWER; (B) PROBLEM WAS FOR FRG TO SOLVE THROUGH DIPLOMATIC MEANS. REPORTING FROM THAT PERIOD DESCRIBES HOW BOTH US AND FRG RAISED PROBLEM WITH TURKS WITHOUT SUCCESS. SUBSEQUENTLY, DIVISION OF TURKISH TRAFFIC BETWEEN TEGEL AND SCHOENEFLED STABILIZED AT SOMETHING BETTER THAN 60-40 IN FAVOR OF TEGEL. MISSIONS HERE BELIEVED THAT THAT RATION WAS ACCEPTABLE.

4. IN RECENT WEEKS, HOWEVER, NEW SITUATION HAS RESULTED FROM EXPANDED INTERFLUG AS OPPOSED TO THY ACTIVITIES. DENIED PERMISSION BY THE ALLIES TO OPEN AN OFFIC IN WSB, INTERFLUG PREVAILED UPON A HERR HAAASE, APPARENTLY A REPUTABLE BERLIN TRAVEL AGENT,

TO OPEN SOME FIFTEEN SMALL TICKET AGENCIES IN TURKISH COMMUNITIES. BY UNDERCUTTING TEGEL PRICES, HAASE AND HS SUBAGENTS HAVE ALREADY DIVERTED LARGE AMOUNTS OF TURKISH TRAFFIC TO SCHOENEFELD. AS O THIS DATE, PAN AM HAS LOST DM 750,000 OF BUSINESS THROUGH CANCELLED CHARTER FLIGHTS, WHILE BRITISH CARRIERS DAN AIR AND LAKER AHVE HAD 31 AND 20 CHARTER CANCELLATIONS RESPECTIVELY. WE DO NOT YET HAVE INFORMATION ABOUT AERO-AMERICA WHOSE BUSINESS IS PROVIDED BY DIFFERENT TOUR OPERATORS THAN ABOVE THREE CARRIERS. CANCELLATIONS WERE MADE BY LEADING TURKISH TOUR OPERATOR GUESE WHO IS HIGHLY RESPECTED IN WEST BERLIN, AND WHOSE TIES WITH BERLIN DATE FROM PRE-WAR ERA.

5. INTERFLUG SALES HAVE BEEN DIRECTED TOWARD AN INTERFLUG FLIGHT WHICH LEAVES SHOENEFELD EACH FRIDAY EVENING. THIS FLIGHT HAS AS MANY SECTIONS CONFIDENTIAL

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(ADDITIONAL IL-18 AIRCRAFT) AS IT NEEDS TO ACCOMMODATE BUSINESS. IT IS IN FACT A SCHEDULED FLIGHT ACCORDING TO PAN AM. MOREOVER, BECAUSE OF THE CONFIGURATION OF THE IL-18, IT CAN TAKE MORE BAGGAE THAN A PAN AM BOEING 707. THE TURKISH TRAVELLERS INVARIABLY ARRIVE WITH APPLIANCES AND OTHER PRODUCTS OF GERMAN INDUSTRY WHICH ARE MORE EXPENSIVE OR NOT AVAILABLE

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R 151550Z JUN 77 FM USMISSION USBERLIN TO SECSTATE WASHDC 4758 AMEMBASSY BONN INFO AMEMBASSY ANKARA AMEMBASSY BERLIN UNN AMEMBASSY LONDON AMEMBASSY PARIS AMCONSUL ISTANBUL USMISSION NATO

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IN TURKEY. TURKISH TRAVELLERS BOARD INTERFLUG BUS SERVICE WHICH RUNS ON THE HOUR IN WEST BERLIN. ON A RECENT OCCASION SEVEN BUSSES OF SCHOENEFELD-BOUND TRAVELLERS WERE PROCESSED INTO GDR IN 25 MINUTES.

6. INTERFLUG CHARGES ROUNDTRIP FARE OF DM 211
ACCORDING TO PAN AM; 290 ACCORDING TO DAN AIR.
AN IL-18 CAN ALSO BE CHARTERED FOR DM 18,000 WHICH
WORKS OUT AT DM 180 PER PERSON. IN CONTRAST, THE
TEGEL PRICE RUNS ABOUT DM 400. IN COSTS DM 32,800
TO CHARTER A PAN 707, DM 31,000 FOR A DAN AIR
BOEING 727, AND DM 23,000 FOR LAKER BAC 111.
DIFFERENCE IN BUS FARE TO SCHOENEFELD VS. TEGEL
IS MINIMAL AS IS CONVENIENCE FACTOR. TURKISH
TRAVELLERS ABOVE ALL WANT TO GET WEST BERLIN-BOUGHT
ITEMS TO THEIR FAMILIES IN TURKEY AND ARE WILLING TO
PUT UP WITH INCONVENIENCE TO DO SO.
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7. THROUGH PRESS REPORTS ALLIES HAVE BEEN PUT ON GUARD THAT SENATOR FOR ECONOMICS LUEDER IS PLANNING TO APPROACH THEM AGAIN FOR HELP. SO FAR, THIS APPROACH HAS NOT BEEN MADE. SENAT OFFICIALS TELL US, HOWEVER, THAT 1974 REQUEST TO INVOLVE BK/O (62)5 REMAINS ON BOOKS; ALLIES NEVER ANSWERED IT FORMALLY. GIVEN MOUNTING SERIOUSNESS OF PROBLEM, DEPUTY POLADS TOOK ADVANTAGE OF BONN GROUP VISIT TO BERLIN ON JUNE 9-10 TO EXPLAIN TO REPS OF ALLIED EMBASSIES IN BONN THEIR POINT OF VIEW ON PROBLEM.

8. IN MISSION VIEW, MOST SERIOUS ASPECT OF PROBLEM IS FACT THAT WHAT INTERFLUG CAN NOW DO WITH TURKISH TRAFFIC, IT CAN EVENTUALLY DO WITH OTHER WEST BERLIN CHARTER TRAFFIC. IN FACT, WEST GERMANS ARE ALREADY BOOKING ON TURKISH FLIGHTS BECAUSE OF PRICE. THEREFORE, WE BELIEVE THAT CORRECTIVE MEASURES MUST BE TAKEN. THE EXPERIENCE OF SEVERAL YEARS AGO SUGGESTS THAT DIPLOMATIC DEMARCHES TO TURKEY, WHILE USEFUL, WILL NOT RESOLVE PROBLEM. IN MEANTIME, INTERFLUG AND GDR HAVE ENTERED PICTURE IN A BIG WAY. WE THEREFORE

BELIEVE THAT ALLIES, WHO BECAUSE OF THE CORRIDOR REGIME REMAIN RESPONSIBLE FOR CIVIL AVIATION IN BERLIN, MUST BE PREPARED TO UNDERTAKE CONCERTED EFFORT TO MAINTAIN SCHOENEFELD TRAFFIC WITHIN ACCEPTABLE BOUNDS. BECAUSE WE HAVE HEARD THE ARGUMENT SO OFTEN, ESPECIALLY FROM FRENCH, WE WOULD LIKE TO STATE OUR VIEW CLEARLY THAT ALLIES CANNOT RUN CIVIL AVIATION IN BERLIN AND THEN RESPOND TO A PROBLEM WITH THE ANSWER THAT IT IS EXCLUSIVELY FOR THE FRG TO SOLVE. WE FAVOR JOINT EFFORT BY FRG, ALLIES AND BERLIN SENAT.

9. FOR OUR PART, WE PLAN TO MEET WITH THE SENAT AT AN EARLY OPPORTUNITY TO REVIEW ONCE AGAIN THE CONFIDENTIAL.

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PRACTICALITY OF LOCAL MEASURES AVAILABLE TO US. HARASSMENT OF TRAVELLERS AT THE WALTERSDORFER CROSSING POINT LEADING TO SCHOENEFELD IS A POSSIBILITY BUT HAS THE DRAWBACK THAT WE WILL BE HARASSING BONA FIDE WEST BERLIN TRAVELLERS TO USSR, ROMANIA, ETC. CUTTING OUT THE INTERFLUG BUS SERVICE WOULD HAVE THE SAME UNDESIR-ABLE SIDE EFFECT. IN ANY EVENT, TURKISH TRAVELLERS COULD CIRCUMVENT WALTERSDORFER CHAUSSEE BY PROCEEDING TO EAST BERLIN, ALTHOUGH A CERTAIN LEVEL OF INCON-VENIENCE WOULD BE INVOLVED. SENAT PROVIDED US WITH VERMERK ON 12 FEB 1976 IN WHICH IT CLAIMED IT WAS POWERLESS TO APPLY LEGAL SANCTIONS WITHOUT RECOURSE TO BK/O (62)5. FOR EXAMPLE, IF WEST BERLIN BUSINESSMAN, SUCH AS HAASE, COMPLIES WITH ALL BERLIN REQUIREMENTS FOR SETTING UP BUSINESS, SENAT CANNOT SHUT HIM DOWN WITHOUT RISKING COURT CASE IT IS SURE TO LOSE. NOR CAN SENAT, UNDER GERMAN CONSTITUTION, REQUIRE TURKS THROUGH LABOR CONTRACTS TO USE TEGEL. WE WILL, HOWEVER, REVIEW ALL POSSIBILITIES AND REPORT OUR FINDINGS.

10. IN END WE WOULD HOPE THROUGH CONCERTED ENDEAVOR. TO ACHIEVE A TOLERABLE SITUATION IN WHICH SCHOENEFELD CARRIES AN ACCEPTABLE SHARE OF WEST BERLIN TRAFFIC BUT NO MORE THAN THAT. WEST BERLIN ECONOMY ALREADY FUNCTIONS ON BASIS OF MANY SUCH SOLUTIONS--I.E. A CERTAIN PERCENTAGE OF MEAT, MILK, PETROLEUM, ETC. IS IMPORTED FROM SURROUNDING GDR BUT THAT PERCENTAGE IS NOT PERMITTED TO GROW TO POINT WHERE WEST BERLIN BECOMES DEPENDENT ON GDR. IN END, SOME SUCH SOLUTION MUST BE DEVISED TO MEET CHALLENGE THAT AVAILABILITY OF LOW-COST SCHOENEFELD FLIGHTS IS MAKING AND WILL MAKE IN FUTURE TO WEST BERLIN CIVIL AVIATION. IN PRESENT CASE, IT SEEMS TO US THAT INTERFLUG COMPETES

NOT ONLY WITH TEGEL BUT WITH THY AS WELL, SO THAT TURKS MAY NOT HAVE REASON TO OPPOSE MEASURES DIRECTED CONFIDENTIAL

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PRIMARILY AGAINST INTERFLUG.DAVIS

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